



## INSPECTOR GENERAL REPORT

2006-10-0301

September 7, 2007

### SECC CHARITABLE FUNDRAISING BY STATE EMPLOYEES

*Inspector General David O. Thomas and Staff Attorney Amanda Schaeffer report as follows:*

This report addresses charitable fundraising activities of state employees on state time. This matter was brought to the attention of the Office of Inspector General (OIG) by various state employees. The concern expressed was over the use of state time to participate in charitable fundraising activities, and whether this activity violates the Indiana Code of Ethics, specifically the rule regulating the use of state property in 42 IAC 1-5-12, the ghost employment rule in 42 IAC 1-5-13, and the gift rule in 42 IAC 1-5-1.<sup>1</sup>

In summary, the Indiana Code of Ethics is not violated by charitable fundraising activity which is in compliance with the State Employees Community

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<sup>1</sup>Although ethics investigations are confidential unless probable cause is determined by the State Ethics Commission or a waiver occurs, the OIG is “responsible for addressing fraud, waste, abuse, and wrongdoing in agencies.” IC 4-2-7-2(b). The OIG also has the “duty” to “recommend policies and carry out other activities designed to deter, detect, and eradicate fraud, waste, abuse, mismanagement, and misconduct in state government.” IC 4-2-7-3(2).

The OIG is further charged to write and promulgate the Indiana Code of Ethics, IC 4-2-7-3(6), and is empowered to issue Informal Advisory Opinions confidentially to state employees who seek advice. 42 IAC 1-8-1.

Because the reports of these fundraising activities were of a general concern rather than a request to investigate a particular agency or state employee, the OIG is issuing this report for guidance to state agencies under the above authorities.

Campaign or the other policies addressed below.

To make charitable fundraising permissible by state employees during state time, the Indiana Code of Ethics<sup>2</sup> requires a written policy authorizing this activity. This has been accomplished in at least two ways.

1.

State Employees Community Campaign (SECC)

In March of 1992, Governor Evan Bayh addressed charitable fundraising by state employees by issuing Executive Order 92-7. This Executive Order established a “Combined State Campaign” to be administered by state employees and their representatives. The Executive Order stresses the importance of human service organizations and the desire of Indiana state employees to support these organizations. The Executive Order endorses fundraising but states that the annual campaign should involve “minimal disruption in the state government workplace.” As a result of this Executive Order, the State Employees Community Campaign (SECC) was established.

An “Agency Coordinator Manual” is available from the SECC to advise agency coordinators on how to conduct the SECC in their particular agency. The manual gives tips and ideas for fundraising and related activity to generate SECC support.

2.

SPD Community Service Leave Policy

The State Personnel Department (SPD) also has a written community

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<sup>2</sup> See e.g. 42 IAC 1-5-12 and 13.

service leave policy in order to promote involvement of state employees in public service. The community service leave policy states that a state employee is allowed leave with pay from the employee's regularly assigned duties, not to exceed 7.5 hours each calendar year. The leave time must go towards a charitable organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. An employee who complies with this SPD policy will not be in violation of the Code of Ethics.

### Findings and Recommendations

The OIG makes the following findings and recommendations:

1.

Charitable fundraising by state employees while using state property or on state time is permitted to the extent allowed under an agency's internal written policy, the SECC or the SPD community service leave policy.

2.

Soliciting and donating funds between persons who have a business relationship through an agency or from those who could be seeking to influence the actions of a state employee in his or her official capacity is prohibited under the Gift Rule in 42 IAC 1-5-1 and the Donor Restrictions Rule in 42 IAC 1-5-2.

### Recommendations

1.

The SECC Agency Coordinator Manual should continually be reviewed

for compliance with Executive Order 92-7 and the Indiana Code of Ethics.

2.

A copy of this report should be disseminated to all agency leaders and ethics officers for review and appropriate distribution.

Dated this 7<sup>th</sup> day of September, 2007.

A handwritten signature in cursive script, reading "David O. Thomas".

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David O. Thomas, Inspector General